

Following weeks of failed, start-and-stop negotiations on a plan to reduce our debt and fix the broken tax code, on New Year's Day Congress passed a bill to avert the "fiscal cliff," the combination of tax increases and automatic budget cuts that were set to go into effect January 1. I supported the bill.

While it was an imperfect measure, and I would have preferred a more comprehensive approach that centered on spending reform, the approved legislation prevented massive tax hikes for the vast majority of hard-working Americans. Had it not passed, taxes would have increased more than \$3,000 for the average Nebraskan family. The legislation also fixes other complicated tax matters that ensnare many Americans. The Alternative Minimum Tax is permanently fixed from unjustly hitting middle-class families. The estate tax issue is settled permanently with no impact on most small business owners and farmers.

Additionally, the Farm Bill, which was set to expire January 1, was extended for a year, preventing milk prices from doubling. The extension also allows time for Congress to complete a five-year Farm Bill that includes important reforms to reduce government spending, while providing some certainty for our farmers' planning purposes in the meantime.

Now the focus must turn to spending reform. Three more "fiscal cliff" scenarios in the weeks ahead provide opportunity to address the overspending problem in Washington: the debt ceiling, a continuing resolution to fund the government, and the sequester, which would provide automatic cuts to the government, significantly affecting defense programs. These looming cliffs will force the President and Congress to work together to reform the way our country spends.

Years of overspending have driven our debt problem. Government spending now equals approximately 24 percent of our national Gross Domestic Product (GDP), a historically high level. At the same time, federal government revenues are at historic low levels of around 15 percent of GDP. Both sides of the ledger – spending and the right type of tax reform – must be addressed to regain fiscal order. The bill passed earlier this week makes the tax situation clearer, but continued efforts to make the tax code simpler and fairer are necessary for the well-being of the economy.

I want to thank the many Nebraskans who contacted me following this week's vote. To govern is to choose, and this was another complicated, hard decision. The primary focus in the weeks

ahead will be leveraging key spending decisions to stop government overspending and reduce the debt. The situation is too serious for further brinkmanship and delay. For the sake of restoring our nation's economic strength and preventing crushing tax burdens on our children and grandchildren, the way Washington spends must end.